



United States Department of the Interior

BUREAU OF LAND MANAGEMENT  
Richfield Field Office  
150 East 900 North  
Richfield, Utah 84701  
Telephone # 435-896-1500



RECEIVED

JUN 20 2005

DIV. OF OIL, GAS & MINING

IN REPLY REFER TO:  
3809/3600/9235  
(U-050)  
UTU-80014

CERTIFIED MAIL # 7002 2410 0006 7458 6903  
RETURN RECEIPT REQUESTED

June 16, 2005

Lon Thomas  
Star Stone Quarries, Inc.  
4040 South 300 West  
Salt Lake City, Utah 84107

Dear Mr. Thomas:

Enclosed please find an agreement between Star Stone Quarries, Inc. and the Bureau of Land Management (BLM) concerning the removal of mineral materials from your quarry located in section 8, T. 29 S., R. 5 E., Wayne County, Utah. Please sign and return the agreement along with your initial escrow payment to the Richfield Field Office. Subsequent payments to the escrow account should be sent to the attention of Natalie Mitchell at the Richfield Field Office.

Please be advised that if the validity examination establishes that the subject material is a common variety of building stone you will be required to compensate the BLM for all material removed prior to this agreement.

If you have any questions please contact Francis Rakow at (435) 542-3461.

Sincerely,

Gary L. Hall  
Assistant Field Manager  
Non-Renewable Resources

Enclosure:  
Escrow Agreement  
cc: Wayne Hedberg, DOGM (S/055/016)  
bcc: T. Snyder, U-923



Agreement  
Between Star Stone Quarries, Inc.  
And the Bureau of Land Management

- A. The following described lands (subject lands), public lands of the United States, were claimed pursuant to the mining laws by American Stone, Inc, now known as Star Stone Quarries, Inc., (hereafter referred to as "claimant") and have been in good standing since October 10, 1983:

Section 8, T. 29 S., R. 5 E., Salt Lake Meridian, Wayne County, Utah.

- B. The claimant has maintained the American Stone 101 and 102 placer mining claims by keeping up the necessary filings with the Bureau of Land Management (BLM), with the intention to produce minerals (building stone) from the natural deposits.
- C. The claimant states that the minerals (building stone) claimed are of an "uncommon variety". Claimant also states that the deposit has a property giving it a distinct and special value.
- D. BLM believes in good faith that the minerals claimed by the claimant, Star Stone Quarries, Inc., are of a "common variety" and are not subject to location under the mining laws. BLM believes that the claimant is in trespass by removing non-locatable minerals from the subject lands.
- E. The claimant and the BLM agree that the price of the minerals on the subject lands is ten dollars and no cents (\$10.00) per ton. This is an interim price and is subject to change upon reappraisal which may be conducted at any time. Adjustments in the price may be required based on the results of the appraisal and additional monies required or refund/credit made as applicable.
- F. Claimant and BLM have agreed to enter into this stipulation agreement to protect their interests, while operations continue and pending the outcome of a validity examination, administrative proceedings and judicial review. Now, therefore, claimant and the BLM, by and through their respective authorized representatives, hereby stipulate as follows:

(1) The claimant and the BLM shall establish an escrow (the escrow) to be placed in a suspense account under case file number



UTU-80014 which will be held by the BLM until a final determination has been made whether the building stone located within the boundaries of the American Stone 101 and 102 placer mining claims is locatable or salable. If the result of the validity determination establishes that the subject material is a common variety of building stone, the BLM will deposit the funds in the United States Treasury. If the validity examination demonstrates that the subject material has a unique property which gives it a distinct and special values outlined in Mclarty v. Secretary of Interior, 408 F. 2d. 907, 980 (9<sup>th</sup> Cir. 1969), the BLM will refund the monies to you, without interest.

(2) Claimant shall, upon signing this stipulation, pay into escrow a sum of money equal to ten dollars and no cents (\$10.00) multiplied by the number of tons of material claimant has on pallets at the quarry site. Additional stone quarried at the site shall be paid for, at the then current price, prior to removal.

(3) Once the escrow has been established, and claimant has paid the sum prescribed by paragraph (2) above, claimant shall prepare and deliver to the BLM a report documenting the amount of stone removed and the moneys escrowed.

(4) While processing claimant's plan of operations BLM will allow claimant to operate within the 5 acre disturbance which existed on January 20, 2001 and which was authorized under notice of intent UTU-70593. Prior to beginning operations, the house trailer shall be removed from the site. All other equipment which is not being used for current operations shall also be removed from the site.

(5) Once operations are resumed, the claimant shall prepare and deliver, on a monthly basis, a report, including weigh tickets, documenting the quantity of stone quarried from the subject claims during the preceding month. The report shall be submitted no later than the 15<sup>th</sup> day following the end of the month for which the claimant is reporting.

(6) When the validity of the mining claims on the subject lands has been finally adjudicated, the escrowed moneys shall be disbursed to the party in whom such favor is finally adjudicated.

(7) With respect to the deposit in the subject lands, the parties shall otherwise be bound and governed by the results of such final adjudication.



So stipulated this \_\_\_\_\_ of \_\_\_\_\_, 2005

Star Stone Quarries, Inc.,  
4049 South 300 West  
Salt Lake City, Utah 84107

By:

Lon Thomas, President

United States Department of the Interior  
150 East 900 North  
Richfield, Utah 84701

By:

Gary L Hall, Assistant Field Office  
Manager, Non-Renewable Resources